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May 1, 2009

Arizona Corporation Commission
DOCKETED

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Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

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Re: Docket No. L-00000B-07-0130-00132, Decision No. 69647

Dear Mr. Johnson:

Pursuant to Condition No. 12 of the Certificate of Environmental Compatibility (CEC) for the Desert Basin 230 kV Transmission Project, Decision No. 69647 (June 6, 2007), the Salt River Project (SRP) is filing the second annual self-certification letter. This report provides up-to-date information and documentation on the status of our efforts to comply with each condition in the referenced CEC decision.

If you or your staff has any questions, please feel free to contact me.

Sincerely,

Jana Brandt
SRP Regulatory Affairs and Contracts

cc: John Foreman, Chairman of Siting Committee, Attorney General Office
Jim Arwood, Director, Department of Commerce – Energy Office
Brian Bozzo, Arizona Corporation Commission
Docket Control (Original, plus 13 copies)

**Desert Basin Project CEC – Case 132
2009 CEC Compliance Filing**

Decision No. 69647 dated June 6, 2007

This Certificate is granted upon the following conditions:

1. This authorization to construct the Project will expire eighteen (18) years from the date the Certificate is approved by the Arizona Corporation Commission, unless construction is completed to the point that the line is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the Applicant or its Assignees may request that the Arizona Corporation Commission extend the time limitation.

SRP expects to complete construction of the line by 2013, well within the 18 years provided in the Certificate.

2. Applicant shall obtain all required approvals and permits necessary to construct the Project.

SRP will obtain all required approvals and permits necessary to construct the Project.

3. Applicant shall comply with all existing applicable ordinances, master plans and regulations of the United States, the State of Arizona, Pinal County and any other governmental entities having jurisdiction.

SRP will comply with all existing applicable ordinances, master plans and regulations of the United States, the State of Arizona, Pinal County and any other governmental entities having jurisdiction.

4. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological, or historical site or object that is at least fifty years old is discovered on state, county, or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum, pursuant to A.R.S. § 41-865.

SRP will comply with this condition.

5. Within 45 days of the effective date of the Commission's decision regarding the Certificate, the Applicant shall erect and maintain signs throughout the entire approved certificated corridor providing public notice that the property is the site of a future 230kV transmission line. Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line. The signs shall advise:
 - (a) the site has been approved for the construction of Project facilities including a 230kV line;
 - (b) the expected date of completion of the Project facilities;
 - (c) a phone number for public information regarding the Project;
 - (d) the name of the Applicant;
 - (e) the name of the Project; and,
 - (f) the Project website.

SRP has complied with this condition. As noted in the 2008 compliance filing, SRP has placed four signs along the certificated corridor, notifying the public that the property is the site of a future 230 kV transmission line.

6. Applicant shall design the transmission line so as to minimize impacts to raptors.

SRP will comply with this condition.

7. Where practicable, Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance outside of the power line right-of-way, particularly in drainage channels and along stream banks, and shall re-vegetate native areas of construction disturbance.

SRP will comply with this condition.

8. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the Applicant's line and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five (5) years of all complaints of radio or television interference attributable to operation of the Applicant's line, together with the corrective action taken in response to each complaint. All complaints shall be recorded and include notations as to the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. The Applicant will use its best efforts to work with Western to resolve any complaints of interference with radio or television signals related to the Western line.

SRP will comply with this condition.

9. Applicant shall comply with applicable noise guidelines of the federal Department of Housing and Urban Development and the Environmental Protection Agency.

SRP will comply with this condition.

10. The Applicant shall, to the extent feasible, minimize the destruction of native plants during the Project construction and shall comply with the notice and salvage requirements of the Arizona Native Plant Law.

SRP will comply with this condition.

11. The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.

SRP will comply with this condition.

12. The Applicant shall submit a self-certification letter annually until construction is complete, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Utilities Division Director beginning on May 1, 2008. Attached to each certification letter shall be documentation explaining, in detail, how compliance with each condition was achieved. Copies of each letter, along with the corresponding documentation, shall also be submitted to the Chairman of the Siting Committee at the Arizona Attorney General's Office and Department of Commerce Energy Office.

Compliance with this condition is met by the submission of this filing.

13. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan with ACC Docket Control. The goals of the Plan will be to:
- Avoid impacts where practical;
 - Where impacts are unavoidable, minimize impacts; and
 - Focus on site preparation to facilitate natural processes of revegetation and drainage.

Other key elements of the Plan, when not inconsistent with the respective land management agencies' or local owners' requirements, are to:

- Emphasize final site preparation to encourage natural revegetation;
- Avoid (i.e. preserve), where practical, mature native trees;
- Stipulate a maximum construction corridor width;
- Reserve topsoil and native plant materials from right-of-way before grading, and respread over the right-of-way after construction is complete;
- Imprint the restored right-of-way to provide indentations to catch seed and water;
- Implement best management practices to protect the soil;

Apply restoration methods that have been shown to work in the desert environment; and
Prevent the spread of noxious weeds or other undesirable species.

SRP will comply with this condition.

14. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:

- (a) perform the appropriate grounding and cathodic protection studies to show that the Project's location within 100 feet of such pipeline results in no material adverse impacts to the natural gas or hazardous liquid pipeline or to public safety when both are in operation. A report of studies shall be provided to the Commission Staff as part of Applicant's compliance with the Certificate. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are eliminated. Applicant shall provide to the Commission Staff written documentation of the actions that will be taken and documentation showing no material adverse impact will occur; and
- (b) perform a technical study simulating an outage of the facility that may be caused by the co-location of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to Commission Staff.

SRP will comply with this condition.

15. Applicant shall provide copies of this Certificate to appropriate city and county planning agencies, mayors and town councils, Pinal County Board of Supervisors, Chairman of the Siting Committee at the Arizona Attorney General's Office, State Historic Preservation Office, Arizona Game and Fish Department, and Arizona State Land Department.

SRP has complied with this condition. As noted in the 2008 compliance filing, copies of the Certificate were mailed to appropriate city and county planning agencies, mayors and town councils, Pinal County Board of Supervisors, Chairman of the Siting Committee at the Arizona Attorney General's Office, State Historic Preservation Office, Arizona Game and Fish Department, and Arizona State Land Department on August 20, 2007.

16. Applicant shall publish a copy of this Certificate and the attachments on Applicant's project website within 30 days of approval by the Arizona Corporation Commission. Such publication shall continue until all necessary right-of-way has been obtained.

SRP has complied with this condition. As noted in the 2008 compliance filing, a copy of the Certificate and the attachments were posted on SRP's website on June 27, 2007 at <http://www.azpower.org/230/desertbasin.asp>.

17. The Applicant shall avoid and/or minimize impacts to properties considered eligible for inclusion in the Arizona Register of Historic Places to the extent possible.

SRP will comply with this condition.

18. If all Register-eligible properties cannot be avoided, then the Applicant will continue to consult, on the Committee's behalf, with the State Historic Preservation Office ("SHPO") to resolve the negative impacts.

SRP will comply with this condition.

19. After final alignment is determined, any previously uninspected areas will be surveyed to determine the presence or absence of cultural resources. The resulting report and recommendations on Register-eligibility will be submitted to SHPO for review and comment.

SRP has completed the Class III cultural resources assessment and copies of the report were submitted to SHPO and Western. SRP will continue to coordinate with SHPO and Western on this issue.

20. If the Applicant decides that Register-eligible or listed properties cannot be avoided, then the Applicant will plan and implement a mitigation program in consultation with SHPO.

SRP will comply with this condition.

21. After construction, the Applicant, in conjunction with any applicable land managing agency, shall allow Arizona Site Stewards, a volunteer-staffed SHPO program, to periodically inspect the sites within the corridor for vandalism or other damage. Applicant shall use its best efforts to secure access to the sites for the Arizona Site Stewards from Western for the portion of the line sited with Western's right-of-way.

SRP will comply with this condition.

22. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums and shall coordinate transmission expansion plans related to the Project to resolve transmission constraints in a timely manner.

SRP will comply with this condition.

23. Prior to the date this transmission line is put into commercial service, the Applicant shall provide homebuilders and developers within one-half mile of the center line of the certificated route the identity, location, and a pictorial depiction of the type of line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statement.

SRP will comply with this condition.

24. The Applicant shall propose and use its best efforts to incorporate provisions in the agreements with Western to allow compliance with this Certificate as it relates to the Applicant's facilities.

SRP will comply with this condition.